Message Text

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INFO OCT-01 EUR-12 IO-13 ISO-00 AF-10 ARA-10 EA-10 NEA-10 FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-05 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 OIC-02 /143 W

-----092779 231927Z /40

R 231449Z NOV 77 FM AMEMBASSY BONN TO SECSTATE WASHDC 3365 INFO AMEMBASSY LONDON AMEMBASSY PARIS AMEMBASSY THE HAGUE AMEMBASSY BRUSSELS USMISSION GENEVA

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USEEC

E.O. 11652: GDS

TAGS: UNCTAD, ETRD

SUBJECT: COMMON FUND NEGOTIATING CONFERENCE

REF: (A) STATE 276348, (B) STATE 277891, (C) BONN 19109

1. DRAWING ON REF (B), EMBOFF DISCUSSED U.S. POSITION ON CF NEGOTIATIONS, PARTICULARLY "SECOND WINDOW" WITH DR. MUELLER-THUNS AT THE MINISTRY OF ECONOMICS. MUELLER-THUNS SAID THAT THE U.S. POSITION APPEARED TO CORRESPOND EXACTLY TO THE VIEWS OF THE FRG AND EMPHASIZED THAT THE POSITION OF THE FRG, AS DECIDED BY THE FEDERAL CABINET ON OCTOBER 12, WAS OPPOSITION TO A SECOND WINDOW IRRESPECTIVE OF HOW IT MIGHT BE FINANCED. THE ONLY STEP BEYOND THAT WAS AGREEMENT THAT THE EFFECTIVENESS OF CONFIDENTIAL

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COVERAGE BY INTERNATIONAL INSTITUTIONS OF THOSE AREAS ENVISAGED UNDER "OTHER MEASURES" SHOULD BE STUDIED FOR POSSIBLE GAPS.

2. MUELLER-THUNS INSISTED THAT DESPITE RUMORS TO THE CONTRARY (SEE REF. (C)), FRG POLICY ON THE CF HAD NOT CHANGED, BUT HE ADMITTED THAT AGREEMENT WITHIN THE FRG

WAS NOT UNIVERSAL. THE FOREIGN MINISTRY IS REPORTEDLY UNHAPPY WITH WHAT THEY BELIEVE TO BE AN OVERLY NEGATIVE POSITION; HOWEVER, THE MINISTRIES OF ECONOMICS, ECONOMIC ASSISTANCE, AND FINANCE ARE OPPOSING ANY CHANGE. MINISTER OF ECONOMICS GRAF LAMBSDORFF IS SCHEDULED TO TALK WITH FOREIGN MINISTER GENSCHER IN THE NEXT FEW DAYS ON THE SUBJECT. FOR HIS PART, MUELLER-THUNS BELIEVES THAT THE FRG WILL CONTINUE TO ADHERE TO THE GROUP B POSITION OF OPPOSING ANY FINANCIAL ROLE FOR A CF ON OTHER MEASURES.

- 3. WHEN ASKED IF MINISTER LAMBSDORFF WOULD LIKE ANY FURTHER CLARIFICATION FROM US, MUELLER-THUNS SAID HE FELT THAT THE U.S. POSITION WAS PERFECTLY CLEAR, AND HE WOULD REPORT SUCH TO MINISTER LAMBSDORFF.
- 4. FINALLY, HE EMPHASIZED THE NECESSITY OF MAINTAINING CLOSE US-FRG CONTACT IN THE CLOSING WEEKS OF THE SECOND UNCTAD CF NEGOTIATING SESSION. HE PROMISED TO KEEP THE EMBASSY INFORMED OF ANY CHANGES IN FRG POLICY AND ASKED US TO RECIPROCATE.
- 5. THE ECON/COMM. MINISTER LATER RECEIVED A SOME-WHAT DIFFERENT REACTION FROM LAUTENSCHLAGER, FOREIGN MINISTRY ASSISTANT SECRETARY FOR ECONOMIC AFFAIRS. LAUTENSCHLAGER SAID THAT THE CABINET DECISION ON THE CONFIDENTIAL.

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COMMON FUND LEFT A LOT OF ROOM FOR FLEXIBILITY. HE SAID THE FRG DID NOT WANT A REPETITION OF NAIROBI, WHERE THE FRG TOOK THE BLAME FOR A HARD POSITION VIS-A-VIS THE LDCS. NEITHER WOULD THE FRG BECOME THE WHIPPING-BOY IN EC. BEHIND WHICH OTHER MEMBERS COULD HIDE. HE SAID THE FRG COULD NOT GO AS FAR AS THE FRENCH AND BRITISH, ALTHOUGH HE THOUGHT THE FRG POSITION COULD BE BROUGHT CLOSER TO THE FRENCH/BRITISH POSITION. LAUTENSCHLAGER VENTED HIS IRE OVER THE RIGID POSITION OF THE ECONOMICS MINISTRY AND SAID THE FOREIGN OFFICE HAD NO WORRIES ABOUT THE U.S. GOING TOO FAR IN CONCESSIONS TO THE LDCS. HE WAS AWARE THAT THE ECONOMICS MINISTRY HAD BEEN UNHAPPY WITH FORMULATIONS MADE BY GENSCHER IN A RECENT SPEECH AND ADMITTED THAT THE ECONOMICS MINISTRY WAS THE RESPONSIBLE MINISTRY FOR THESE NEGOTIATIONS. HE RECALLED THAT, ALTHOUGH THE ECONOMICS MINISTER WAS THE RESPONSIBLE MINISTER, THE FOREIGN MINISTER WAS STILL CHAIRMAN OF THE FREE DEMOCRATIC PARTY.

6. LOECK OF THE CHANCELLERY, WHO WAS PRESENT DURING LAUTENSCHLAGER CONVERSATION, DID NOT COMMENT, AND IT

IS INDEED POSSIBLE THAT THE CHANCELLOR IS CLOSER TO
ECONMIN POSITION THAN TO THAT OF FONMIN.
STOESSEL

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Message Attributes

Automatic Decaptioning: X

Capture Date: 01-Jan-1994 12:00:00 am Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: POLICIES, FUND ALLOTMENT, TRADE, NEGOTIATIONS, DEVELOPMENT PROGRAMS

Control Number: n/a

Copy: SINGLE Sent Date: 23-Nov-1977 12:00:00 am Decaption Date: 01-Jan-1960 12:00:00 am

Decaption Note:

Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 22 May 2009 Disposition Event:

Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BONN19458
Document Source: CORE

Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: GS

Errors: N/A **Expiration:**

Film Number: D770435-0557

Format: TEL From: BONN USEEC Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1977/newtext/t19771128/aaaaaxbe.tel

Line Count: 119 Litigation Code IDs: Litigation Codes:

Litigation History: Locator: TEXT ON-LINE, ON MICROFILM

Message ID: ce34a413-c288-dd11-92da-001cc4696bcc

Office: ACTION EB

Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 3
Previous Channel Indicators: n/a

Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 276348, 77 STATE 277891, 77 BONN 19109

Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags:

Review Date: 08-Feb-2005 12:00:00 am

Review Event:

Review Exemptions: n/a **Review Media Identifier:** Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 481638 Secure: OPEN Status: NATIVE

Subject: COMMON FUND NEGOTIATING CONFERENCE

TAGS: ETRD, UNCTAD

To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/ce34a413-c288-dd11-92da-001cc4696bcc

Review Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009